

MAINE STATE LEGISLATURE

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STATE OF MAINE
124TH LEGISLATURE
SECOND REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed during
the Second Regular Session of the 124th Maine Legislature coming from the

JOINT STANDING COMMITTEE ON TAXATION

April 2010

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STATE OF MAINE

124TH LEGISLATURE
SECOND REGULAR SESSION



LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* summarizes all bills and adopted amendments and all laws enacted or finally passed during the Second Regular Session of the 124th Maine Legislature.

The *Digest* is arranged alphabetically by committee and within each committee by LD number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are summarized and listed by paper number. A subject index is included with each committee. The appendices include a summary of relevant session statistics, an index of all bills by LD number and an index of enacted laws by law type and chapter number.

Final action on each bill is noted to the right of the bill title. The abbreviations used for various categories of final action are as follows:

<i>CARRIED OVER</i>	<i>Carried over to a subsequent session of the Legislature</i>
<i>CON RES XXX</i>	<i>Chapter # of Constitutional Resolution passed by both Houses</i>
<i>CONF CMTE UNABLE TO AGREE</i>	<i>Committee of Conference unable to agree; bill died</i>
<i>DIED BETWEEN HOUSES</i>	<i>House & Senate disagree; bill died</i>
<i>DIED IN CONCURRENCE</i>	<i>One body accepts ONTP report; the other indefinitely postpones the bill</i>
<i>DIED ON ADJOURNMENT</i>	<i>Action incomplete when session ended; bill died</i>
<i>EMERGENCY</i>	<i>Enacted law takes effect sooner than 90 days</i>
<i>FAILED EMERGENCY ENACTMENT/FINAL PASSAGE</i>	<i>Emergency bill failed to get 2/3 vote</i>
<i>FAILED ENACTMENT/FINAL PASSAGE</i>	<i>Bill failed to get majority vote</i>
<i>FAILED MANDATE ENACTMENT</i>	<i>Bill imposing local mandate failed to get 2/3 vote</i>
<i>NOT PROPERLY BEFORE THE BODY</i>	<i>Ruled out of order by the presiding officers; bill died</i>
<i>INDEF PP</i>	<i>Bill Indefinitely Postponed; bill died</i>
<i>ONTP (or Accepted ONTP report)</i>	<i>Ought Not To Pass report accepted; bill died</i>
<i>P&S XXX</i>	<i>Chapter # of enacted Private & Special Law</i>
<i>PUBLIC XXX</i>	<i>Chapter # of enacted Public Law</i>
<i>RESOLVE XXX</i>	<i>Chapter # of finally passed Resolve</i>
<i>UNSIGNED</i>	<i>Bill held by Governor</i>
<i>VETO SUSTAINED</i>	<i>Legislature failed to override Governor's Veto</i>

The effective date for non-emergency legislation enacted in the Second Regular Session of the 124th Legislature is Monday, July 12, 2010. The effective date for legislation enacted as an emergency measure is specified in the enacted law summary for those bills.

Joint Standing Committee on Taxation

This amendment replaces the bill. It allows a municipality to establish a property tax deferral program for eligible senior citizens. In municipalities that offer the program, it allows homeowners to apply for a deferral of their property taxes if they are at least 70 years of age, occupy the eligible homestead, have lived in their home for at least 10 years and have a household income of less than 300% of the federal poverty level. The taxes may be deferred until the time that certain events occur, including the death of the homeowner or sale of the home, at which time the repayment of the taxes is required within an established time period, along with payment of interest at a rate of 0.5% above the annually established rate for delinquent taxes. The amendment provides procedures for the municipality to preserve the right to enforce a lien. It requires the municipality to use procedures in current law to enforce a lien and for foreclosure. It requires the municipality to provide a copy of a notice prepared by the State Tax Assessor, which describes the effect of deferral of property taxes and of the right of the municipality to foreclose on the tax lien mortgage, to each applicant for the program at the time of application. It also requires the municipality to provide a copy of this notice annually, in lieu of a property tax bill, along with an accounting of taxes deferred and interest accrued. It allows a municipality to repeal the program through the same procedure by which it was adopted; however, any taxes deferred under the program must continue to be deferred under the conditions of the program on the date it was ended.

Enacted Law Summary

Public Law 2009, chapter 489 allows a municipality to establish a property tax deferral program for eligible senior citizens. In municipalities that offer the program, it allows homeowners to apply for a deferral of their property taxes if they are at least 70 years of age, occupy the eligible homestead, have lived in their home for at least 10 years and have a household income of less than 300% of the federal poverty level. The taxes may be deferred until the time that certain events occur, including the death of the homeowner or sale of the home, at which time the repayment of the taxes is required within an established time period, along with payment of interest at a rate of 0.5% above the annually established rate for delinquent taxes. The law provides procedures for the municipality to preserve the right to enforce a lien. The municipality must use procedures in current law to enforce a lien and for foreclosure. The municipality must provide a copy of a notice prepared by the State Tax Assessor, which describes the effect of deferral of property taxes and of the right of the municipality to foreclose on the tax lien mortgage, to each applicant for the program at the time of application. The municipality must provide a copy of this notice annually, in lieu of a property tax bill, along with an accounting of taxes deferred and interest accrued. A municipality may repeal the program through the same procedure by which it was adopted; however, any taxes deferred under the program must continue to be deferred under the conditions of the program on the date it was ended.

LD 1253

An Act To Establish a Local Option Sales Tax

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CROCKETT P JACKSON	ONTP	

This bill was carried over from the First Regular Session. This bill allows a municipality to impose a local option sales tax of 3% or less by local referendum. Revenue from the local option sales tax is distributed as follows: 50% to the municipality, 25% to the county in which the municipality is located and 25% to the General Fund. The revenue received by the municipality and county must be used to reduce the property tax, either through specific programs, such as by funding a municipal property tax assistance program or funding the portion of the homestead property tax exemptions not funded by the State or generally stabilizing or lowering the projected property tax rate of the municipality or the county tax assessment.